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# ASCS BACKGROUND INFORMATION

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## COMMODITY OFFICE OPERATIONS

The Agricultural Stabilization and Conservation Service's (ASCS) two Commodity Offices are pivotal factors in the Commodity Credit Corporation's (CCC) loan and purchase operations, with their primary management responsibilities concerned with the acquisition, handling, storage, and disposal of stocks -- both bulk and processed commodities.

Each of the Commodity Offices holds specific responsibilities for designated commodities and products.

Prairie Village ASCS Commodity Office -- Corn, soybeans, wheat, oats, barley, rye, grain sorghums, dry edible beans, flaxseed, rice, cotton (upland and extra long staple), cottonseed, cottonseed oil, tung oil and castor oil.

Minneapolis ASCS Commodity Office -- More than 60 processed commodities including dairy products (i.e., butter, cheese and dried milk), grain products (including flour, corn meal, rolled wheat bulgur and rolled oats), and other fresh and processed commodities such as dry edible beans and milled rice, various oils, canned fruits and vegetables, and poultry and meat.

The Prairie Village, Kansas, Commodity Office (PVCO) maintains branch merchandising offices in Minneapolis, Minn.; Chicago, Ill.; Houston, Texas, and Portland, Ore. The branch offices represent the PVCO in developing and maintaining liaison with the trade, ASCS State Offices and others in their respective areas, presenting and interpreting PVCO and ASCS - CCC policies, programs and operating information. They make domestic and export sales

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and allocate inbound shipments against open sales or storage commitments.

These branch offices also provide advice to the merchandising and shipping trade, as well as other Government offices by researching and reporting on market conditions, price quotations and port activities.

The Houston branch also serves as a coordinator on USDA export shipments through the Gulf and South Atlantic Ports. This office also maintains liaison with port authorities, custom offices, steamship companies and other governmental and private organizations as necessary on these commodity movements.

The only farm commodities under CCC loan or in CCC inventories that are not (1973) a management responsibility of a Commodity Office are peanuts, gum naval stores (rosin), and tobacco. These commodities are handled in production areas by producer associations or cooperatives working under contractual agreements with CCC.

The activities of the Commodity Offices are coordinated in Washington, D.C., under the overall policy guidance of the Administrator of ASCS, who is also Executive Vice-President of CCC. Day-to-day activity is carried out through the ASCS Deputy Administrator for Commodity Operations (DACO).

CCC is directed by its Charter to carry out its commodity operations -- buying, selling, transporting, packaging, warehousing, milling, crushing, and such other handling as may be

needed -- to the fullest extent practicable by utilizing "the usual and customary channels, facilities, and arrangements of trade and commerce."

In carrying out CCC programs, the Commodity Offices utilize storage facilities in more than 9,000 warehouses, and use the services of thousands of domestic carriers, banks and other lending agencies, purchase and sales agents, processors, handlers, producer and cooperative associations, exporters, and other elements of the trade.

Operations are adapted wherever feasible to normal trade customs and practices. Day-to-day dealings with the trade are carried out much as would a private corporation conducting a commercial-type business.

CCC uses many marketing devices, through the Commodity Offices, in merchandising its inventory. Sales for dollars, both for domestic and export use, constitute the biggest single outlet for CCC-owned or controlled commodities.

Other programs include sales for foreign currencies under P.L. 480, sales and transfer to other U.S. Government agencies, the livestock feed program for distress areas as designated by the Secretary, and both domestic and foreign donations.

The overall responsibilities of the PVCO include the administration of programs and operations related to inventory management, acquisition, transportation, storage, sales and other disposals, and export financing of CCC-owned grain, cotton, dry

edible beans, rough rice, and other assigned commodities. The PVCO also provides input/output data for the USDA central computer facilities.

Direction and coordination for assigned programs, presentation and interpretation of policies, and solutions to operational problems are also responsibilities of the PVCO.

In order to effectively carry out these responsibilities, the PVCO is divided into seven divisions.

The Bulk Grain Division and the Cotton, Rice and Dry Edible Beans Division analyze commodity availability in relation to need; acquire and dispose of stocks to meet program commitments, maintain records of inventory, acquisition and disposal of stocks; issue shipping instructions and orders, negotiate rates with warehousemen for services and serve as liaison with State, county and Washington ASCS offices, warehousemen, and trade groups.

The PVCO Storage Contract Division also administers contracts with warehousemen storing CCC-owned or loaned cotton, rice and dry edible beans. They maintain an approved list of warehouses and serve as liaison between the PVCO and the Agricultural Marketing Service (AMS), on matters relating to warehouse storage and examination work.

The PVCO Storage Contract Division maintains contracts with warehousemen storing CCC-owned or loaned bulk grain and cotton; maintains lists of approved warehouses; serves in the capacity as liaison between the PVCO and AMS in matters relating

to warehouse storage and examination responsibilities and works with the Minneapolis Office, ASCS State, county and Washington offices, warehousemen, and State licensing authorities on matters pertaining to storage contract activities.

The Fiscal Settlement Division is responsible for the financial management and operations engaged in by the PVCO, including scheduling cash collections and allocating to applicable accounts, and arranging with Federal Reserve Banks to carry out collection and disbursement functions. This Division also serves as liaison with the Minneapolis Office, ASCS State, county and Washington offices and members of the trade on claims and collections activity, fiscal examination and settlement functions.

The Traffic Management Division participates in overall Commodity Office operational and program planning for transportation and traffic management functions. Services of this Division include arranging for transportation and related services, advising in the preparation of shipping instructions, traffic analysis, examination of charges, certification to the Fiscal Settlement Division for claims arising out of this Division, and handling port services.

The remaining two divisions, Management Information Division and Operations Analysis and Services Division work closely in the area of design and development of the computer processing system.

The Management Information Division is concerned with the overall planning for the utilization of ADP and related systems to improve operations of assigned programs.

The Operations Analysis and Services Division advises and collaborates in making recommendations to adjust or modify policy and procedure due to changes in programs, organization, equipment, data processing systems and techniques. This Division is also responsible for budget preparation, work measurement and personnel activities.

The Minneapolis Commodity Office (MPCO) administers nationwide programs for processed and other assigned commodities under loan and purchase programs, supply, foreign purchase, surplus removal, export and diversion, school lunch, defense and related programs and activities. The Office also maintains liaison with trade groups and associations, banks, warehousemen, Federal offices, private and governmental welfare organizations and other groups and individuals concerned with the trade aspects of assigned programs as well as with the general public.

Seven divisions within the MPCO are responsible for carrying out the various phases of operations assigned to the Office.

The Commodity Operations Division handles the merchandising and pricing of assigned commodities; analyzes commodity availability in relation to need; insures the orderly movement of stocks to meet program commitments; maintains operating records; prepares and issues shipping instructions; administers storage contracts; handles freight forwarding and chartering operations; and maintains working relationships with the Food and Nutrition Service (FNS), AMS, warehousemen, and various trade groups in

order to coordinate operations, resolve problems and facilitate the accomplishment of program goals.

The Fiscal Division recommends, installs and maintains accounting systems for MPCO. It is responsible for the maintenance of official inventory records. Other responsibilities of this Division include the reviewing of claims; making payments; fiscal review of acquisition, disposal and service contracts; financial reporting and collaboration to develop data processing systems to facilitate the operations of the Division.

The Traffic Management Division is responsible for arranging transportation and related services including the negotiation of contracts for transportation services; providing technical assistance in the preparation of shipping instructions; traffic analysis; examination of charges; filing claims for overcharges; rate quotations; handling transportation for export services; and maintaining tariff files covering all types of transportation and port services.

The Personnel Management and Methods Analysis Division plans and directs office-wide management analysis and procedure development activities designed to more efficiently and effectively carry out office programs. Some of these activities include management analysis; feasibility studies; manpower utilization and development services; employee management and related services; cost studies; and the control, coordination and follow-up on audit investigation reports.

The Administrative Division plans and carries out administrative policies and procedures including communications services (mail, messengers, reproduction work); budget analysis and control; handling forms and records; property, supply and equipment management; utilization of office space; preparing work status reports and handling cash receipts and document control.

The Systems Design Division works with all organizational units of MPCO, national ASCS officials and officials of other agencies in the overall planning of ADP systems that will lead to the operational improvement of programs administered by the MPCO. The Division is involved in research, feasibility studies, the design and programming of ADP equipment and in their evaluation.

The Data Services Division plans and directs the use of ADP and Electrical Accounting Machine (EAM) equipment as well as maintaining the library which contains the magnetic tapes, flow charts, listings, operating instructions and related records. Also receives, polices for, controls, and codes source documents for recordation by EAM and ADP equipment.

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